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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER	
WOO, RICHARD SUKYOON	

ART UNIT	PAPER NUMBER
3629	

DATE MAILED: 06/15/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No.	Applicant(s)	
	09/516,428	SATTERFIELD ET AL.	
	Examiner	Art Unit	
	Richard Woo	3629	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *15 March 2004*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-61* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-61* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Continued Examination Under 37 CFR 1.114

1) A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on March 15, 2004 has been entered.

Response to Arguments

2) The applicant's amendment filed on March 15, 2004 has been entered.

3) Applicant's arguments, filed March 15, 2004, with respect to the rejections of the Claims under 35 U.S.C. section 102 and 103 have been fully considered and are persuasive. The previous rejection of the claims 1-61 has been withdrawn.

4) The text of those sections of Title 35, U.S. Code not included in this action can be found in a prior Office action.

Claim Rejections - 35 USC § 101

5) 35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

6) Claims 1-31 and 34-61 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

> The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.,* the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather,

statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, there is not significant claim recitation of the data processing system or calculating computer. See the Independent claim of Brenner et al. (US 6,099,409) for further reference.

In Claim 34, the machine-readable medium (disc or memory) itself cannot be directed to a practical application of the invention in the useful art to accomplish a

concrete, useful, and tangible result. When the computer program in the medium is actually executed by the computer, the claimed subject matter produces a useful, concrete and tangible result.

Claim Rejections - 35 USC § 102

7) Claims 1-3, 14-18, 20, 26-27, 34-36, 47-51, 53, and 59-60 are rejected under 35 U.S.C. 102(b) as being anticipated by Graves et al. (US 5,830,067).

As for Claim 1:

Graves et al. disclose a method for interactive wagering on races comprising:

allowing a user to access to access an interactive wagering service to select desired wagering criteria (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4; see Fig. 1);

using the interactive wagering application to determine whether a desired wagering opportunity exists; and

using the interactive wagering application to automatically take a particular action (automatically placing a wager) whenever the wagering criteria are satisfied (see Supra and Figs. 1-4).

- As for Claim 2: Graves et al. further discloses the method including using the application to provide the user with an opportunity to select which particular action is taken whenever the wagering criteria are satisfied (Id.);

- As for Claim 3: Graves et al. further discloses the method including using user television equipment, using the application on the user television equipment to determine whether the wagering criteria are satisfied (see Col. 1, lines 27-33);

- As for Claim 14: Graves et al. further discloses the method including providing the user with an opportunity to select whether the action taken involves the automatic placing of a wager (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4);

- As for Claim 15: Graves et al. further discloses the method wherein the action taken involves the automatic placing of a wager, the method further including providing the user with an opportunity to select a wager amount and amount type (Id.);

- As for Claim 16: Graves et al. further discloses the method wherein there are multiple sets of wagering criteria established by the user, each with an associated action to be taken (col. 2, lines 39-43, playing multiple games), the method further including providing the user with an opportunity to select a different wager amount and wager type for each of the multiple sets of wagering criteria (col. 2, line 63 – col. 3, line 7);

- As for Claim 17: Graves et al. further discloses the method including providing different user interfaces with the wagering application for selecting different types of wagering criteria (Id.);

- As for Claim 18: Graves et al. further discloses the method including providing the user with an opportunity to select whether the action taken involves notification of the user (see Supra columns);

- As for Claim 20: Graves et al. further discloses the method including notifying the user that the wagering criteria have been satisfied using an e-mail (col. 6, lines 22-41);

- As for Claim 26: Graves et al. further discloses the method including using the wagering application to limit automatic wagering based on monetary wagering limits (see Fig. 3 and the description thereof);

- As for Claim 27: Graves et al. further discloses the method including providing the user with an opportunity to select a desired monetary wagering limit; and using the wagering application to limit automatic wagering based on the monetary wagering limit (Id.);

As for Claim 34:

Graves et al. disclose a machine-readable medium comprising instructions for:

allowing a user to select desired wagering criteria (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4; see Fig. 1);

determining whether a desired wagering opportunity exists; and

automatically taking a particular action (automatically placing a wager) whenever the wagering criteria are satisfied (see Supra and Figs. 1-4).

- As for Claim 35: Graves et al. further discloses the medium including using the application to provide the user with an opportunity to select which particular action is taken whenever the wagering criteria are satisfied (Id.);

- As for Claim 36: Graves et al. further discloses the medium wherein the medium is used with user television equipment (see Supra);

- As for Claim 47: Graves et al. further discloses the medium including providing the user with an opportunity to select whether the action taken involves the automatic placing of a wager (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4);

- As for Claim 48: Graves et al. further discloses the medium, wherein the action taken involves the automatic placing of a wager, the medium further including providing the user with an opportunity to select a wager amount and amount type (Id.);

- As for Claim 49: Graves et al. further discloses the medium wherein there are multiple sets of wagering criteria established by the user, each with an associated action to be taken (col. 2, lines 39-43, playing multiple games), the medium further including providing the user with an opportunity to select a different wager amount and wager type for each of the multiple sets of wagering criteria (col. 2, line 63 – col. 3, line 7);

- As for Claim 50: Graves et al. further discloses the medium including providing different user interfaces with the wagering application for selecting different types of wagering criteria (Id.);

- As for Claim 51: Graves et al. further discloses the medium including providing the user with an opportunity to select whether the action taken involves notification of the user (see Supra columns);

- As for Claim 53: Graves et al. further discloses the medium including notifying the user that the wagering criteria have been satisfied using an e-mail (col. 6, lines 22-41);

- As for Claim 59: Graves et al. further discloses the medium including using the wagering application to limit automatic wagering based on monetary wagering limits (see Fig. 3 and the description thereof); and

- As for Claim 60: Graves et al. further discloses the medium including providing the user with an opportunity to select a desired monetary wagering limit; and using the wagering application to limit automatic wagering based on the monetary wagering limit (Id.).

Claim Rejections - 35 USC § 103

8) Claims 4-13, 19, 21-25, 29-33, 37-46, 52 and 54-58 are rejected under 35 U.S.C. 103(a) as being unpatentable over Graves et al. as applied to claims 1 and 34 above, and further in view of Brenner et al. (US 6,099,409).

As for Claims 4-13, 37-46:

Graves et al. discloses the invention as recited earlier but does not expressly disclose the invention including:

providing the user with an opportunity to select a particular racetrack – Claims 4 and 37; to select a particular horse – Claims 5 and 38; to search for a desired horse with a remote control – Claims 6 and 39; to select a particular jockey – Claims 7 and 40; to select a particular trainer – Claims 8 and 41; to select a particular track surface – Claims 9 and 42; to select a particular race distance – Claims 10 and 43; to select a particular racing statistics – Claims 11 and 44; to select a particular silk color – Claims

12 and 45; and to wager by odds for a horse change from that horse's morning line odds – Claims 13 and 46.

Brenner et al. teaches, for a interactive wagering system for horse racing games, that the system allows the user to select a particular racetrack, a particular horse; to search for a desired horse with a remote control; to select a particular jockey, a particular trainer, a particular track surface, a particular race distance, a particular racing statistics, and a particular silk color; and to wager by odds for a horse change from that horse's morning line odds (see Figs. 3, , 5, 8-28, 36-50 and the descriptions thereof).

Since Brenner et al. and Graves et al. are both from the same filed of endeavor, the purpose disclosed by Brenner et al. would have been well recognized in the pertinent field of Graves et al..

Accordingly, it would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the system of Graves et al. to play the horse racetrack wagering (to select a particular racetrack, a particular...), as taught by Brenner et al., for the purpose of providing the user with the interactive wagering systems and related processes for off-track horse racing wagering in which a user terminal provides racing odds, pools, handicapping information, and other racing data.

As for Claims 19, 21-25:

The modified method of Graves et al. further discloses the invention including:

notifying the user by displaying a partial-screen overlay message on top of a screen (col. 2, lines 43-46 of Brenner et al.) – Claim 19;

notifying the user via a wireless message (col. 7, lines 35-38 of Brenner et al.) – Claim 21;

notifying the user that the wagering criteria have been satisfied by displaying a message on the TV (col. 1, lines 13-15 of Brenner et al.) – Claim 22;

providing a display screen containing a summary of which types of wagering criteria have been established (col. 3, lines 15-18 of Brenner et al.) – Claim 23;

wherein the summary includes information on wager amounts and wager types that the user has established for use whenever various sets of wagering criteria are satisfied (col. 2, lines 47-53 of Brenner et al.) – Claim 24; and

wherein the summary includes information on wager amounts and wager types that the user has established for use whenever various sets of wagering criteria are satisfied (col. 2, lines 47-53 of Brenner et al.) – Claim 25.

As for Claim 29:

Graves et al. discloses a method for interactive wagering comprising:

allowing a user to select desired wagering criteria (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4; see Fig. 1);

determining whether a desired wagering opportunity exists; and

automatically taking a particular action (automatically placing a wager) whenever the wagering criteria are satisfied (see Supra and Figs. 1-4).

However, Graves et al. does not expressly disclose the invention that allows the user to select a given horse.

Brenner et al. teaches, for a interactive wagering system for horse racing games, that the system allows the user to select a particular racetrack, a particular horse; to search for a desired horse with a remote control; to select a particular jockey, a particular trainer, a particular track surface, a particular race distance, a particular racing statistics, and a particular silk color; and to wager by odds for a horse change from that horse's morning line odds (see Figs. 3, , 5, 8-28, 36-50 and the descriptions thereof).

Since Brenner et al. and Graves et al. are both from the same filed of endeavor, the purpose disclosed by Brenner et al. would have been well recognized in the pertinent field of Graves et al..

Accordingly, it would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the system of Graves et al. to play the horse racetrack wagering (to select a particular racetrack, a particular...), as taught by Brenner et al., for the purpose of providing the user with the interactive wagering systems and related processes for off-track horse racing wagering in which a user terminal provides racing odds, pools, handicapping information, and other racing data.

- As for Claim 30: the modified method of Graves et al. further discloses the invention including providing the user with an opportunity to select the amount of the wager and the wager type (as taught by both Graves et al. and Brenner et al., see Supra); and

- As for Claim 31: the modified method of Graves et al. further discloses the invention including providing the user with an opportunity to select multiple horses using the wagering application; and automatically placing a wagers for each horse when it is determined that the horse is to run in a particular race (see Supra Claim 16 for the Graves et al.'s multiple wagering and Brenner et al. for selecting the particular horse in the particular race).

As for Claim 32:

Graves et al. discloses an interactive wagering system, comprising:

user equipment configured to:

select desired wagering criteria (col. 4, lines 17-42; col. 4, line 55 – col. 5, line 21; col. 6, line 58 - col. 7, line 4; see Fig. 1);

determine whether a desired wagering opportunity exists; and

automatically take a particular action (automatically placing a wager) whenever the wagering criteria are satisfied (see Supra and Figs. 1-4).

However, Graves et al. does not expressly disclose the invention that allows the user to select a given horse and place a wager for the horse in a particular race.

Brenner et al. teaches, for a interactive wagering system for horse racing games, that the system allows the user to select a particular racetrack, a particular horse; to search for a desired horse with a remote control; to select a particular jockey, a particular trainer, a particular track surface, a particular race distance, a particular racing statistics, and a particular silk color; and to wager by odds for a horse change from that horse's morning line odds (see Figs. 3, , 5, 8-28, 36-50 and the descriptions thereof).

Since Brenner et al. and Graves et al. are both from the same filed of endeavor, the purpose disclosed by Brenner et al. would have been well recognized in the pertinent field of Graves et al..

Accordingly, it would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the system of Graves et al. to play the horse racetrack wagering (to select a particular racetrack, a particular...), as taught by Brenner et al., for the purpose of providing the user with the interactive wagering systems and related processes for off-track horse racing wagering in which a user terminal provides racing odds, pools, handicapping information, and other racing data.

- As for Claim 33: the modified system of Graves et al. further discloses the system including user computer equipment separate from the user television equipment, wherein the wagering application notifies the user at the user computer equipment by e-mail (see Supra pertinent Claims).

As for Claims 52, 54-58:

The modified medium of Graves et al. further discloses the invention including:

notifying the user by displaying a partial-screen overlay message on top of a screen (col. 2, lines 43-46 of Brenner et al.) – Claim 52;

notifying the user via a wireless message (col. 7, lines 35-38 of Brenner et al.) – Claim 54;

notifying the user that the wagering criteria have been satisfied by displaying a message on the TV (col. 1, lines 13-15 of Brenner et al.) – Claim 55;

providing a display screen containing a summary of which types of wagering criteria have been established (col. 3, lines 15-18 of Brenner et al.) – Claim 56;

wherein the summary includes information on wager amounts and wager types that the user has established for use whenever various sets of wagering criteria are satisfied (col. 2, lines 47-53 of Brenner et al.) – Claim 57; and

wherein the summary includes information on wager amounts and wager types that the user has established for use whenever various sets of wagering criteria are satisfied (col. 2, lines 47-53 of Brenner et al.) – Claim 58.

9) Claims 28 and 61 are rejected under 35 U.S.C. 103(a) as being unpatentable over Graves et al. as applied to Claims 1 and 34 above, and further in view of Hedges et al. (US 4,467,424).

Graves et al. discloses the invention as cited earlier, but does not specifically disclose the invention comprising:

using the wagering application to provide the user with an opportunity to select an expiration time for automatic wagering.

Hedges et al. is cited to show that there is an expiration time to enter a bet.

It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the invention of Graves et al. such that the user can select an expiration time for automatic wagering, as taught by Hedges et al., for the purpose of reminding the user of the remaining time and providing the user with the opportunity to change or cancel the wagering.

Conclusion

10) Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Woo whose telephone number is 703-308-7830. The examiner can normally be reached on Monday-Friday from 8:30 AM -5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703-308-2702. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9306 for regular communications and for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-0861.

Richard Woo
Patent Examiner
GAU 3629
June 8, 2004

JOHN G. WEISS
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